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Next 23 Page(s) In Document Denied

News Bulletin : THE ASSOCIATED PRESS NEWS WIRE

21 AUGUST 1985
ITEM No. 1

^AP-URGENT<

Soviet Spy Dust (DETAILS)

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using chemicals to keep tabs on U-S diplomats in Moscow.
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A Department spokesman -- Charles Redman -- says the chemical leaves a deposit on the person and objects that come into contact with it.

In making the announcement, Redman says the U-S ``deplores'' the action.

The State Department has protested the alleged use of the chemicals ``in the strongest terms'' -- and has demanded that they stop right away.

Redman says the chemicals have been used for ``a number of years,'' but did not say precisely when it was first discovered by the United States.

Redman says the most extensively used of such tracking agents is a chemical called N-P-P-D. Redman says that chemical's been found to be ``a mutagen'' -- a substance capable of increasing the chances of mutations. Redman added that mutagens ``can be, but are not always,'' cancer-causers in humans.

The state department says extensive testing will be needed to determine whether N-P-P-D and other compounds used by the Soviets pose a health threat. The testing will also help determine how much the embassy community has been exposed to the chemicals.

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BRITAIN EXPELS 25 SOVIETS AFTER KGB DEFECTION

(Eds: new info, editing throughout)

By Brian Mooney

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LONDON, Sept 12, Reuter - Britain today ordered the expulsion of 25 Soviet officials, six of them diplomats, after the London KGB chief defected and exposed the Kremlin's spy network here.

The British move was seen as a major reverse for Soviet bloc intelligence after a succession of damaging blows against Western intelligence in West Germany.

It also brought to more than 130 the number of Soviets kicked out of Britain since 1971 when 105 of them -- including 45 diplomats -- were expelled for spying.

The Foreign Office named the defector responsible for today's expulsions as Oleg Gordievski, 46, and identified him as the chief of the Soviet intelligence organization in London.

It said Gordievski joined the KGB in 1962 after a year's training at its Moscow school.

He spent 10 years at home and abroad dealing with Soviet "illegals" or dissidents. He was subsequently engaged in KGB activity in Scandinavia and Britain and at the time of his defection had just been appointed head of its London operations.

The Foreign Office said the 25 other Soviets had been given three weeks to leave London and described their activities as "totally incompatible with their status and declared tasks."

The Foreign office, which issued news of the latest expulsions at its regular daily press conference, said Gordievsky was "in a position to know full details of Soviet intelligence activities and personnel in this country."

It said that Under Secretary of State David Goodall had conveyed the expulsion orders to acting Soviet Charge d'Affaires Lev Aleksandrovich Parshin after summoning him to the Foreign Office.

Mr. Parshin was told that a significant number of Soviet representatives in London have been engaging in intelligence activities which are of course totally incompatible with their status and declared tasks," the Foreign Office said.

The nature and scale of the activities are completely unacceptable," it added.

The six expelled diplomats included First Secretary Yuriy Vasilyevich Yezhov, 48, and two other first secretaries in charge respectively of scientific and technical affairs and culture.

The non-diplomats included a driver and security guard at the embassy, seven trade representatives, five journalists and two translators attached to international organizations in London.

Moscow has a total of 35 diplomats in London.

The Foreign Office spokesman who announced the expulsions refused to say how the Soviets had reacted.

In Moscow, the British Embassy said it had heard nothing about

Current listing of: T6579:2

04/04/77 65:37 Page: 2

65: retaliatory measures and declined to comment further.

One of the expelled journalists was Viktor Ivanovich Muzalev, 38, a correspondent of the official Soviet Tass News Agency.

A colleague in Tass told Reuters: "The expulsion has come as a complete surprise. I don't think it would benefit Soviet-British relations."

The other journalists worked for the Novosti News Agency, Komsomolskaya Pravda newspaper, Radio Moscow, and Socialist Industry.

The Foreign Office said it hoped to maintain good relations with the Soviet Union despite the expulsions.

"It was made clear to Mr. Parshin that, although our action was necessary in the interests of national security, it remained our policy to work for an improvement in bilateral relations with the Soviet Union," it added.

^By MARCUS ELIASON=

^Associated Press Writer=

STAT

LONDON (AP) — Acting on information supplied by a top KGB defector, Britain today ordered 25 purported Soviet spies to leave the country in the biggest such expulsion in 14 years.

The Foreign Office said that in ordering out the six accredited diplomats and 19 business officials, journalists and embassy workers, it was going on the word of Oleg A. Gordievski, the chief operative in Britain of the KGB, the Soviet spy agency and secret police.

It said Gordievski, 46, posted in London since 1982 and officially listed as a Soviet Embassy counselor, had defected saying he "wishes to become a citizen of a democratic country and live in a free society." He was given political asylum, it said, without revealing when he defected.

A Foreign Office statement said Gordievski was "in a position to know full details of Soviet intelligence activities and personnel in this country."

The Foreign Office dispensed with the usual diplomatic language and bluntly accused the 25 of spying. It gave them three weeks to leave Britain.

It said it summoned the Soviet charge d'affaires, Lev. A. Parchine, and told him "that a significant number of Soviet representatives in London have been engaging in intelligence activities which are of course totally incompatible with their status and declared tasks."

It did not spell out their alleged actions but said "the nature and scale of the activities are completely unacceptable."

The Soviet Embassy called it "an unwarranted action of unfriendly character" and said it "fully contradicts (British) statements about their interest in developing relations with the Soviet Union."

The statement by Counselor Alexey Nikiforov, who was not among those expelled, said: "The whole responsibility for the consequences of this provocative action fully and entirely rests with the British side."

It was the biggest single expulsion by Britain since 1971, when Britain threw out 105 Soviet diplomats and officials for alleged spying. Last April five Soviets were ordered to leave because of purported espionage activities.

In 1983, France expelled 47 Soviets who were believed engaged in espionage.

The Foreign Office statement called the expulsions an act of national security which would not impair British efforts to run "a realistic dialogue" with the Kremlin and "contribute to mutual

04/04/77 67:23 Page: 2

Current listing of: T6646:2

67:23 between East and West.''

But a Foreign Office spokesman, who insisted on not being identified, warned that Britain would "take an extremely serious view" of any retaliatory expulsion of British personnel in Moscow.

The Foreign Office said the diplomats expelled included First Secretaries Yuri V. Ejov, Vyacheslav Kalitin and Boris Korchagin; Second Secretary Valeriy G. Tokar; Third Secretary Anatoly Meretikov, and Dimitriy Vasilyev, an attache in the technical maintenance department.

Among those deported who did not hold diplomatic status were three embassy employees, seven people attached to the Soviet trade mission, the deputy manager of the Razno purchasing agency, and an employee of Moscow's Narodny Bank.

Others were two employees of global organizations — the International Cocoa Organization and the International Wheat Council — and five news media employees representing the official news agencies Tass and Novosti, Radio Moscow and the newspapers Socialist Industry and Komsomolskaya Pravda.

In May the British Broadcasting Corp. radio interviewed an unidentified Soviet defector said to be a former major in GRU, the Soviet army intelligence unit.

The man told the BBC that 30 to 40 Soviet military spies were working in London independently of the KGB, disguised as employees of the Soviet trade mission, the state airline Aeroflot and the Soviet merchant navy. The man was said to have defected from a Western European capital six years earlier.

The Foreign Office said Gordievski joined the KGB in 1962, spent a year at a KGB training school in Moscow, and for the next 10 years dealt with Soviet "illegals" — undercover agents — both in the Soviet Union and abroad.

He later engaged in KGB activities concerning Scandinavia and still later Britain, the Foreign Office said.

His present whereabouts were not given. He is believed to be married.

The official diplomatic register lists 41 Soviet diplomats accredited in London.

Peter Reddaway, senior lecturer in political science at the London School of Economics, called Gordievski's defection "a tremendous coup."

Reddaway, a Kremlin analyst, said usually up to 40 percent of Soviet officials here were involved in spying.

He foresaw retaliation from Moscow, saying Soviet leader Mikhail S. Gorbachev was "a more combative sort of person" than his predecessor Yuri V. Andropov. Andropov was in power in 1983 when France expelled 47 Soviet diplomats without provoking major retaliation.

Denis Healey, the opposition Labor Party's defense spokesman, called the affair "an important victory of British intelligence."

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UP003

B I

DEFECT

BY JOSEPH GAMBARDELLO

LONDON (UPI) -- BRITAIN ANNOUNCED THURSDAY THAT THE HEAD OF THE KGB'S LONDON OPERATION HAD DEFECTED AND THAT IT HAD ORDERED 25 SOVIET OFFICIALS, INCLUDING SIX DIPLOMATS, EXPELLED FOR SPYING.

UPI 09-12-85 08:19 AED

UP004

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DEFECT-1ST ADD (UP003)

THE FOREIGN OFFICE SAID IN A STATEMENT THAT OLEG GORBIEVSKI, WHO HAD THE RANK OF COUNSELLOR AT THE SOVIET EMBASSY AND "RECENTLY BECOME HEAD OF THE KGB RESIDENCY IN LONDON," HAD DEFECTED.

THE SOVIET CHARGE D'AFFAIRES, IDENTIFIED ONLY AS MR. PARSHIN, WAS CALLED TO THE FOREIGN OFFICE AND INFORMED THAT GORBIEVSKI "HAD SOUGHT AND BEEN GRANTED ASYLUM IN THIS COUNTRY."

"MR. GORBIEVSKI WAS IN A POSITION TO KNOW FULL DETAILS OF SOVIET INTELLIGENCE ACTIVITIES AND PERSONNEL IN THIS COUNTRY," THE FOREIGN OFFICE SAID.

"MR. PASHIN WAS TOLD THAT A SIGNIFICANT NUMBER OF SOVIET REPRESENTATIVES IN LONDON HAVE BEEN ENGAGED IN INTELLIGENCE ACTIVITIES, WHICH WERE OF COURSE TOTALLY INCOMPATIBLE WITH THEIR STATUS AND THEIR DECLARED TASKS.

"THE SOVIET CHARGE WAS THEREFORE INFORMED THAT 25 SOVIET OFFICIALS, OF WHOM SIX BELONG TO THE DIPLOMATIC STAFF, MUST LEAVE WITHIN THREE WEEKS," THE STATEMENT SAID.

THE FOREIGN OFFICE SAID SIX OF THE SOVIETS TO BE EXPELLED ARE DIPLOMATS.

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DEFECT

UPDATE UP003

STAT

BY JOSEPH GAMBARDELLO

LONDON (UPI) -- BRITAIN ANNOUNCED THURSDAY THAT THE HEAD OF THE KGB'S OPERATION IN LONDON HAD DEFECTED AND THAT IT HAD ORDERED 25 SOVIET OFFICIALS, INCLUDING SIX DIPLOMATS, EXPELLED FOR SPYING.

THE EXPULSION IS THE BIGGEST BY BRITAIN SINCE 1971, WHEN 105 SOVIETS WERE TOLD TO LEAVE FOR ESPIONAGE ACTIVITIES.

THE FOREIGN OFFICE SAID SIX OF THE SOVIETS TO BE EXPELLED ARE DIPLOMATS ATTACHED TO THE SOVIET EMBASSY. THE OTHER 19 ARE TRANSLATORS, JOURNALISTS OR EMPLOYEES OF THE SOVIET TRADE MISSION, A FOREIGN OFFICE SPOKESMAN SAID.

THE 25 SOVIETS, INCLUDING A CORRESPONDENT FOR RADIO MOSCOW AND ANOTHER FOR THE SOVIET NEWS AGENCY TASS, HAVE BEEN GIVEN THREE WEEKS TO LEAVE THE COUNTRY.

THE FOREIGN OFFICE SAID THE MAJOR DEVELOPMENT IN THE GROWING EAST-WEST SPY WAR CAME WITH THE DEFECTION OF OLEG GORDIEVSKI, WHO HAD BEEN A COUNSELLOR AT THE SOVIET EMBASSY SINCE JUNE 1982.

GORDIEVSKI "RECENTLY BECAME HEAD OF THE KGB RESIDENCY IN LONDON," THE FOREIGN OFFICE SAID.

LONDON SAID IT HOPED THE ACTION WOULD NOT ADVERSELY AFFECT RELATIONS WITH MOSCOW, WHICH HAD NO IMMEDIATE REACTION.

THE SOVIET CHARGE D'AFFAIRES, LEV PARCHINE, WAS CALLED TO THE FOREIGN OFFICE AND INFORMED THAT GORDIEVSKI "HAD SOUGHT AND BEEN GRANTED ASYLUM IN THIS COUNTRY."

"MR. GORDIEVSKI WAS IN A POSITION TO KNOW FULL DETAILS OF SOVIET INTELLIGENCE ACTIVITIES AND PERSONNEL IN THIS COUNTRY," THE FOREIGN OFFICE SAID.

"MR. PARCHINE WAS TOLD THAT A SIGNIFIGANT NUMBER OF SOVIET REPRESENTATIVES IN LONDON HAVE BEEN ENGAGED IN INTELLIGENCE ACTIVITIES, WHICH WERE OF COURSE TOTALLY INCOMPATIBLE WITH THEIR STATUS AND THEIR DECLARED TASKS."

"THE SOVIET CHARGE WAS THEREFORE INFORMED THAT 25 SOVIET OFFICIALS, OF WHOM SIX BELONG TO THE DIPLOMATIC STAFF, MUST LEAVE WITHIN THREE WEEKS," THE STATEMENT SAID.

THE BRITISH GOVERNMENT CONSIDERED THE SPYING ACTIVITIES "COMPLETELY UNACCEPTABLE" BUT STRESSED IT "ATTACHED GREAT IMPORTANCE" TO MEASURES THAT CAN BUILD "MUTUAL CONFIDENCE BETWEEN EAST AND WEST."

"IT WAS ACCORDINGLY MADE CLEAR THAT ALTHOUGH OUR ACTION WAS NECESSARY IN THE INTERESTS OF NATIONAL SECURITY, IT REMAINED OUR POLICY TO WORK FOR AN IMPROVEMENT IN BILATERAL RELATIONS WITH THE SOVIET UNION," THE FOREIGN OFFICE SAID.

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Next 123 Page(s) In Document Denied

NIO/Econ (David Low)
11 September 1985

SOVIET OIL PROBLEMS

In a televised speech delivered at the end of his visit to West Siberia last week, Gorbachev lashed out at Soviet geologists, implying that they misled the leadership into believing that there were no problems with expecting continuing increases in oil output from West Siberia, which supplies 60 percent of Soviet oil.

- He promised further major increased in investment in the area but said that in terms of prospects "we had the rise, the peak, and now we have the decline," apparently laying the groundwork for reduced goals for future output.
- Indeed, month-to-month-decreases in Soviet oil output have averaged 4% or nearly 500,000 b/d through the first half of 1985 as compared with 1984 and Gorbachev's lengthy visit to West Siberia indicates this rate of decline likely continued in July and August.

The fall in oil production will prove a major test for Gorbachev's economic and political leadership.

- The problems in West Siberia go far beyond geology; many potentially productive wells are out of service due to a lack of equipment.
- In essence, the difficulties go to the core of the economic system with its competing priorities and unfulfilled plans.
- While some outside analysts point to the out-of-service wells as a reason for the Soviets to be optimistic about turning around the production decline, the inability of the Soviet system to respond to this problem many months after it was recognized demonstrates the magnitude of the difficulties.

Owing to the failure of the Soviet system to conserve energy and replace domestic oil with gas, the Soviets now face the prospect of a rapid decline in hard currency earnings as shipments to Western Europe are cut back.

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- Press reports in Europe confirm the Petroleum Intelligence Weekly story that many customers will be cut back from 30 to 50 percent, representing a loss of perhaps \$3 to 4 billion in annual oil revenues or more than 10 percent of total hard currency earnings.
- The magnitude of this decline means that the reduction in Soviet earning power between now and 1990 which CIA recently forecast is proceeding more rapidly than even the "worst case" estimates.

Moscow recently began pushing the countries in Eastern Europe to increase their participation in gas development.

- If the Soviets also go back to these countries and ask them to take further reductions in oil deliveries, this will put even more pressure on their political relationships.
- These countries were hurt badly by the oil reductions that took place earlier this year and can be expected to lobby hard against taking any further cuts.

In any case, the Soviet-East European economic relationship seems headed for more trouble.

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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC No. 04547-85
11 September 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: [REDACTED] 25X1
Assistant National Intelligence Officer for Europe

SUBJECT: Cardinal Glemp's Czestochowa Sermon

1. The text of Cardinal Glemp's 26 August sermon at Czestochowa--just made available [REDACTED]--indeed lives up to billing given by major US newspapers. Cardinal Glemp confidently asserted the Church's historical role in Poland and the Church's right and intent to continue its independent work for the spiritual and temporal good of the Polish people. The Cardinal uncharacteristically took these positions without much regard for the regime's political sensitivities. 25X1

- He warned about the Polish regime's tactics of indirection which contrast with with harsher atheist programs in unnamed "neighboring countries". He specifically castigated regime efforts to attack religious values through pushing materialism and pornography in the media while trying to remove religious symbols from schools.
- Most provocatively, he asserted the Church's intent to assist believer/party members to maintain their "vivid faith in God" in inevitable conflicts of conscience.
- He reaffirmed the Church's intent to pursue its mission at the family and parish level and even to seek to influence publications in a limited way.

2. We think that several motives may have led Cardinal Glemp to take these non-diplomatic, firmer stands at this time.

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- In general, he appeared to want to warn Gorbachev and company not to expect the Polish Church to passively endure "salami" tactics against it.
- He undoubtedly also meant the activist message to sink in at home where the Solidarity movement has visibly lost steam and the Church may have to fill any resulting vacuum--especially with national elections and a regime propaganda blitz in the offing this fall.
- We also suspect he wanted to establish a clearer, less-nuanced, basis for dialogues with Poles in the US and Canada where he is soon to visit. In this vein, he may have intended to rebutt some critics in the Vatican who dislike his frequently less confrontational pronouncements.

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